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ASSET MANAGEMENT

**MCFALL EXCAVATING, INC.**

**AND**

**BADEN RECLAMATION**

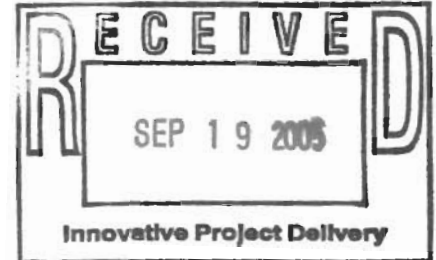
**COMPANY, INC.**

**P.O. BOX 2040**

**CLINTWOOD, VIRGINIA 24228**

**(276) 926-8333 PHONE**

**(276) 926-4406 FAX**



**September 9, 2005**

**Virginia Department of Transportation  
Innovative Project Delivery Division  
1401 East Broad Street  
Richmond, Virginia 23219**

**RE: Project U.S. Route 460 Coalfields Connector  
Number: 0460-013-120 UPC 64144**

**Mr. Charles E. Kostro, Program Manager:**

**Please consider this my Statement of Interest in the above stated project. I am owner of McFall Excavating, Inc. and Baden Reclamation Company, Inc. Both companies are located in Dickenson County and employ an average of 40 people. McFall Excavating has been in business for 20 years and is pre-qualified with the Virginia Department of Transportation with a maximum capacity rating of \$4,890,000.00, Vendor No. M447, work classes: excavating and underground utilities.**

**As owner of McFall Excavating, Inc., I am interested in both contracting or sub-contracting excavation and underground utilities. I feel the decision to consider suggestions for public-private partnership is in the best interest of VDOT as well as the people in the area. The structure of such a partnership would greatly benefit the economy while improving accessibility for later economic opportunities.**

**Baden Reclamation Company, Inc. has presented a unique opportunity to partner with the Division of Mines Minerals and Energy. I am currently**

involved with a high wall elimination project in which the state is having an abandoned surface mine high eliminated at no cost to the tax payers of the state. The mineral rights belong to Alpha Resources, Inc., but I am extracting coal which makes it feasible for me. This project is located west of the Division of Motor Vehicles office on Route 83 and it is my understanding that this area is where the proposed Coalfields Connector will intersect with Route 83. This project has allowed me to form a good working relationship with both Alpha Resources and the DMME.

I propose a partnership between my companies, DMME, VDOT, and Alpha Resources, that would maximize coal revenue and offset road construction costs. I also own some of the property west of the DMV and have already secured surface rights from several of the property owners between the Wise county line and the DMV. Alpha Resources engineers have told me that the seam of coal that I am mining now runs in that direction. VDOT would benefit from mining of this area as large amounts of material would be moved to extract the coal, therefore, providing a "head start" for road construction. Mining of this area would also provide areas for waste from excavation beyond the points previously mentioned.

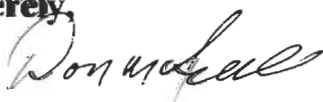
Due to rising oil prices, extracting coal at this time would make this proposal profitable. However, if coal prices should fall the profit margin would be as such that it would not be feasible. Therefore, timing would be a critical part of this partnership.

At this time, I am making generalizations based on maps that I have seen. I would benefit from some updated and detailed maps of the proposed connector and its intersections. Also, I would be better able to specify development of this proposal after other interested parties share their ideas.

Please contact me at any time, I will make every effort to be available to further outline my ideas and discuss how development of this proposal would be in my opinion, a win/win situation for all involved.

Thank you for your consideration in the matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. Don McFall".

R. Don McFall